

MOTION BY SUPERVISOR DON KNABE

September 28, 2004

On June 22, 2004, the Board of Supervisors considered a joint recommendation of the Chief Administrative Officer and the Department of Beaches and Harbors and approved and instructed the Chairman to sign an amendment (the "Amendment") to the Second Amended and Restated Lease No. 55624 for Parcel 125R, Marina City Club, Marina del Rey, which afforded condominium lessees a one-time opportunity to modify their subleases to provide for a temporary freeze on annual rent increases and fixed, rather than variable, future rent increases; provided a mechanism for utilization of accumulated rents to address funding of infrastructure and capital improvements of leasehold facilities; and provided a mechanism for repayment of all deferred and advanced funds, with interest. The Amendment required that all conditions precedent be satisfied by September 30, 2004 in order for it to be effective.

Currently, 591 of the 600 individual condominium sub-lessees have executed

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their sublease amendments, one of the conditions precedent to the effectiveness of the Amendment. However, due to particular circumstances beyond the control of some individual condominium sub-lessees, approximately 50 of these individual condominium sub-lessees have been unsuccessful in completing all of the necessary steps to participate in this program. Such reasons include, but are not limited to, errors made in the process of notarizing some sublease amendment documents and non-receipt of lender consent documents because those documents continue to be processed by various lenders. The Marina City Club Home Owners Association is working hard to help the individual condominium sub-lessees resolve their issues.

While the number of individual condominium sub-lessees who have timely elected to participate in the program is already greater than the number necessary for the effectiveness of the Amendment, the program will benefit from greater participation of the individual condominium sub-lessees, and therefore, those sub-lessees who have executed the sublease amendments but have not completed all necessary steps to participate should be allowed more time to do so.

I, THEREFORE, move that the Board of Supervisors direct and authorize the Chief Administrative Officer to (A) temporarily waive the condition relating to the provision of a legal opinion until the number of Category A Units is final; and (B) should all other conditions to the effectiveness of the Amendment be completed by September 30, 2004, enter into a further amendment to the Lease, with the agreement of the

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Lessee, that permits participation in the program of those individual condominium sub-lessees who had executed sublease amendments prior to September 30, 2004, but who did not complete all necessary steps to participate by that date, if all such steps are completed no later than October 20, 2004, and providing for compliance with the legal opinion requirement if the total number of Category A Units after October 20 is less than 570.

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